

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1496 – SB 1675

February 5, 2018

**SUMMARY OF ORIGINAL BILL:** Requires continued eligibility for disabled veteran's property tax relief of an otherwise qualified property owner during temporary periods of confinement in a nursing home or hospital if the property owner indicates intent to return to the eligible residence.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – There will be a shift in appropriated property tax relief funding to otherwise qualified property tax relief applicants. However, no change will be required for total appropriations made for the purpose of property tax relief.

**SUMMARY OF AMENDMENT (012582):** Deletes and rewrites all language after the enacting clause such that the substantive changes are to (1) add elderly low-income and disabled homeowner property tax relief recipients to those required to have continued eligibility during temporary periods of confinement in a nursing home or hospital if intent to return to the eligible residence is indicated and (2) to require individuals temporarily hospitalized or confined in a nursing home on or after October 3, 2017, to be retroactively reimbursed for any period where property tax relief reimbursement ceased as a result of such confinement.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Effective October 3, 2017, the Rules of the Tennessee State Board of Equalization (SBOE) were amended to remove Rule 0600-03-.07 4(e), that read, "If an eligible property tax recipient is relocated due to illness or disability, property tax relief may continue if the recipient intends to return to the home when recovered sufficiently. In determining whether the recipient intends to return to the home, rental of the home does not of itself evidence an intent not to return. If the rental is month-to-month or otherwise short-term consistent with the expected absence, the recipient may nevertheless be deemed to have an intent to return to the home."

HB 1496 – SB 1675

- Based on information provided by the Comptroller of the Treasury (COT), the rule change will exclude individuals in nursing homes for periods of time exceeding 12 months from eligibility to receive property tax relief under Tenn. Code Ann. § 67-5-702 through § 67-5-704 beginning in FY18-19.
- Based on information provided by COT, no applicants have ceased to receive relief since October 3, 2017, due to the rule change.
- Excluding applicants in nursing homes for periods exceeding 12 months from eligibility for property tax relief will shift the funds previously paid to these individuals back to the appropriated fund balance available for other eligible property tax relief applicants.
- This legislation will continue the eligibility of otherwise qualified individuals in nursing homes or hospitals for temporary periods of time that indicate intent to return to eligible residences.
- To the extent an otherwise eligible applicant is in a nursing home for a period of time exceeding 12 months and intends to return home, appropriated funds will shift back from the appropriated fund balance to the applicants.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj